

1 Kevin P.B. Johnson (Bar No. 177129)
QUINN EMANUEL URQUHART OLIVER & HEDGES, LLP
2 555 Twin Dolphin Drive, Suite 560
Redwood Shores, California 94065-2139
3 Telephone: (650) 801-5000
Facsimile: (650) 801-5100
4

5 Steven M. Anderson (Bar No. 144014)
QUINN EMANUEL URQUHART OLIVER & HEDGES, LLP
865 S. Figueroa St. 10th Floor
6 Los Angeles, California 90017
Telephone: (213) 443-3000
7 Facsimile: (213) 443-3100

8 Attorneys for Plaintiff Sony Corporation
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10 UNITED STATES DISTRICT COURT
11 CENTRAL DISTRICT OF CALIFORNIA
12 SOUTHERN DIVISION

13 SONY CORPORATION, A Japanese
corporation,

14 Plaintiff,

15 vs.

16 VIZIO INC., A California corporation,

17 Defendant.
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CASE NO. 8:08-cv-01135-RGK-FMO

**DECLARATION OF JAIME A.
SIEGEL IN SUPPORT OF SONY
CORPORATION'S OPPOSITION TO
VIZIO'S MOTION TO FILE ITS
AMENDED ANSWER,
AFFIRMATIVE DEFENSES AND
COUNTERCLAIMS TO SONY'S
AMENDED COMPLAINT.**

Date: May 18, 2009

Time: 9:00 a.m.

Judge: Hon. R. Gary Klausner

Courtroom: 850

1 I, Jaime A. Siegel, declare:

2 1. I am the Senior IP Counsel, Intellectual Property Department, and am
3 employed by Sony Corporation of America ("SCA"). Among other duties, I
4 represent Sony Corporation ("Sony Corp.") in intellectual property matters.

5 2. I submit this declaration in support of Plaintiff Sony Corporation's
6 Opposition to Vizio's Motion To File Its Proposed Amended Answer, Affirmative
7 Defenses and Counterclaims To Sony's Amended Complaint. I am personally
8 familiar with and knowledgeable about the facts stated in this declaration and if
9 called upon could and would testify competently as to the statements made herein.

10 3. Sony Corp. is a leading manufacturer of digital television products that
11 are sold throughout the world. Sony owns an extensive patent portfolio relating to
12 numerous aspects of digital television technology.

13 4. Vizio, Inc. is a California corporation headquartered in Irvine,
14 California that sells digital television products throughout the United States.

15 5. Sony brought this action against Vizio for patent infringement on
16 October 10, 2008 after licensing negotiations between the parties broke down when
17 Vizio, without warning to Sony, filed a declaratory judgment action against Sony in
18 the District of New Jersey several days in advance of a previously scheduled
19 licensing negotiation meeting between the parties. Sony successfully moved to
20 transfer that action to this Court.

21 6. I have been one of the Sony representatives with primary responsibility
22 for the settlement and licensing negotiations between Sony and Vizio. Those
23 negotiations have included five meetings that took place between November 7, 2007
24 and October 14, 2008, as well as additional meetings and discussions that have
25 continued through the pendency of this action, including up through the end of last
26 week. As a result of the parties' continued licensing negotiations, by mid-April
27 2009 the parties were very close to a deal whereby Vizio would take a license under
28 Sony's patents.

1 7. During a telephone conversation on Sunday April 12, 2009, I learned
2 from Vizio's counsel, James L. Wamsley III, that Vizio had acquired a number of
3 patents from Motorola that he said were relevant to Sony cable ready televisions
4 ("the Motorola Patents"). Mr. Wamsley did not identify the Motorola Patents. He
5 told me that he would have to discuss with his client whether he could reveal the
6 identities of the Motorola Patents, but that in order to do so he asked if Sony would
7 agree not to file a declaratory judgment action against Vizio. I told Mr. Wamsley
8 that I could not agree to a one-sided standstill. Mr. Wamsley then proposed that the
9 parties jointly agree to a standstill agreement under which neither party would bring
10 an action with respect to the Motorola Patents. Mr. Wamsley and I agreed during
11 the April 12th telephone conversation that neither party would bring an action with
12 respect to Vizio's newly-acquired Motorola Patents "for a few weeks."

13 8. On the morning of April 14, 2009, Mr. Wamsley called me on my cell
14 phone and asked if Sony would agree to a standstill deal on the Motorola Patents
15 until the end of April, thus clarifying our agreement on April 12 to a standstill that
16 would last "for a few weeks." I told him we had a deal, which I understood to mean
17 that through the end of April, Sony would not file a declaratory judgment case with
18 respect to the Motorola Patents that Vizio had acquired and that Vizio, in turn,
19 would not sue Sony on those patents. The rationale for this standstill agreement was
20 that the parties were very close to settlement and needed a few more weeks to
21 finalize the terms of the deal, and to consider the impact, if any, of the newly-
22 acquired Motorola Patents.

23 9. During the April 14 call, Mr. Wamsley also asked if Sony would be
24 willing to meet again with Vizio. I told him Sony would be willing to meet only if
25 there was a reason to meet. In that regard, I told him that he would have to send
26 Sony a list of the newly-acquired Motorola Patents prior to holding a meeting
27 because it would be pointless to have a meeting in which we would be learning of
28

1 the patents for the first time at the meeting. Mr. Wamsley said he would get back to
2 me.

3 10. That evening, I learned from Sony's outside counsel, Ed DeFranco, that
4 Mr. Wamsley had called him to ask for Sony's consent to allow Vizio to amend its
5 counterclaims to add the Motorola Patents into this action. I was offended that
6 Vizio would breach the agreement and called Mr. Wamsley immediately to express
7 my frustration and to ask for an explanation. He told me that Vizio had a different
8 perspective as to whether a standstill agreement had been reached and said that we
9 did not have an agreement because I allegedly had refused to meet with Vizio. I
10 told him that this was untrue and that I had not refused to meet outright, but rather
11 had conditioned any meeting on Vizio providing Sony with advance notice of the
12 newly acquired patents. In any event, I told Mr. Wamsley that he had begun our call
13 that morning by asking for the standstill deal, which I accepted, and only then did he
14 ask for a meeting. I also told him that Sony's outstanding settlement proposal would
15 be taken off the table if Vizio breached the standstill agreement. Mr. Wamsley then
16 asked me if I would consent to allow Vizio to amend its Answer and Counterclaims
17 to assert counterclaims for infringement of the newly-acquired Motorola Patents. I
18 told him I was unable to consent or refuse to consent because I did not know what
19 patents Vizio intended to add. I asked Mr. Wamsley to identify the Motorola
20 Patents or to provide a draft of his proposed Amended Answer and Counterclaims
21 so that Sony could consider if it would consent or object. The call ended with Mr.
22 Wamsley agreeing to convey to his client Sony's position on settlement in light of
23 the breach of the standstill agreement and with me agreeing to consider with our
24 team whether we would consent to the filing of Vizio's amended answer and
25 counterclaims.

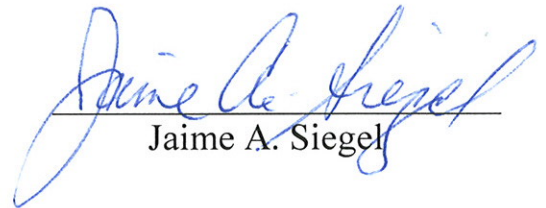
26 11. On April 21, 2009, Vizio moved for leave to amend its Answer to
27 assert counterclaims of infringement based on four newly acquired Motorola
28 Patents. This was the first time Sony learned the identity of those patents. Neither

1 Sony nor its counsel had ever received a draft copy of the proposed Amended
2 Answer and Counterclaims prior to receiving the motion for leave.

3 12. On April 24, 2009, Sony lawyers, including myself, met with Vizio's
4 lawyers and representatives to continue discussing Vizio taking a license under
5 Sony patents. During the meeting, Vizio informed us that the four Motorola Patents
6 allegedly cover the following Sony products: a) Sony Digital TVs with a QAM
7 tuner; b) Sony PCs and Laptops with a QAM tuner; and c) Sony DVRs with a QAM
8 tuner.

9
10 I declare under penalty of perjury under the laws of the State of California
11 and the United States of America that the foregoing is true and correct.

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13 Executed on May 4, 2009.

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16 Jaime A. Siegel
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